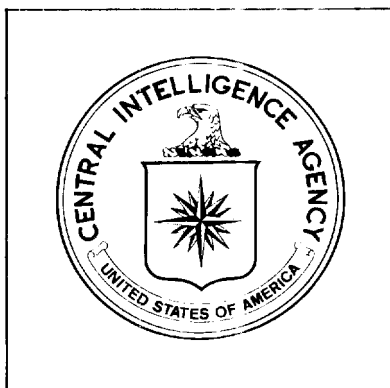


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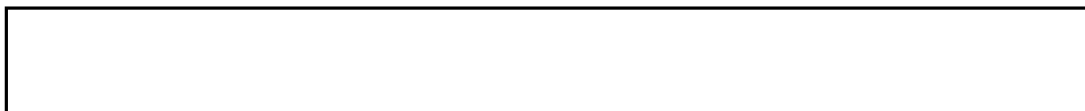
SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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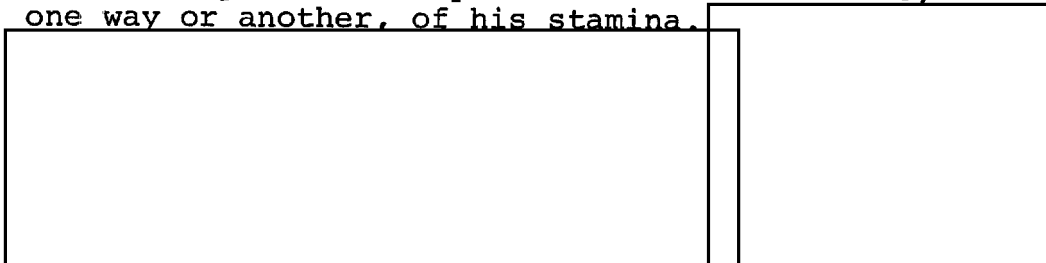
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Brezhnev Vigorous at Meeting
with US-USSR Space Crews

Brezhnev appeared rested, relaxed, and relatively energetic during his meeting on September 22 with the Apollo-Soyuz crews, according to the US embassy in Moscow. Brezhnev's comments were made extemporaneously, without hesitation or searching for words, and his enunciation was considerably better than has recently been observed. He did not appear to be tiring during the 35-minute meeting.

The visitors were informed in advance by protocol officials that correspondents would be present only at the beginning of the audience, but the journalists were in fact permitted to remain throughout. One of the purposes of this exposure may have been to demonstrate that Brezhnev is in good health and is capable of vigorous leadership. The embassy cautioned, however, that it would be well to reserve judgment on this point since a half-hour performance provides little evidence, one way or another, of his stamina.



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Soviet Dissent: Names in the News

Western newsmen were refused admission this week to the trial of Vladimir Osipov, editor of the underground journal *Veche*. The trial, which began on Wednesday, is being conducted in Vladimir, 130 miles east of Moscow. Osipov is charged with sending copies of his journal abroad and allowing his articles to appear in "unauthorized" dissident publications. He could be sentenced to seven years imprisonment and an additional five years of exile within the Soviet Union for "anti-Soviet" activity.

Other prominent Soviet dissidents are likely to appear in the headlines in the coming weeks if the Western press, after Helsinki, focuses more sharply on the human rights context of specific cases.

One is Andrey Tverdokhlebov, a co-founder of dissident spokesman Andrey Sakharov's now dormant Committee for Human Rights. Tverdokhlebov, the secretary of the embryonic, year-old Moscow chapter of the London-based human rights organization Amnesty International, was arrested last April in a crackdown on the chapter's activities. Dissident sources say that the regime has now completed drawing up its case against Tverdokhlebov and that he will probably go on trial in November. He is accused of anti-Soviet slander, a familiar charge that carries a maximum sentence of three years imprisonment.

Sakharov himself may be facing trouble. Sakharov fears, apparently with some justification, that his wife may not be allowed to return home after she recuperates from a reportedly successful eye operation in Siena, Italy, where she had been permitted to go after months of travail. If her return is blocked, it may be a powerful incentive

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to Sakharov to apply for emigration even though he says he wants to stay. Sakharov's situation is complicated by his poor health--the aftermath of a reported heart attack in early June brought on, according to some of his friends, by his work on behalf of too many causes.

The dilemma he represents to the regime may be even more complex than that presented by Aleksandr Solzhenitsyn last winter. Not only would the authorities be reluctant to permit the departure of so prominent a figure, but Sakharov might prove a more effective spokesman in the West for the traditional human rights values than the idiosyncratic Solzhenitsyn. On the other hand, the regime might decide that his departure would be such a loss to the dissident movement that it would be wise to allow or even to press him to go.

Another dissident whose troublesome case will not go away is writer Andrey Amalryk, author of the apocalyptic work *Will the Soviet Union Survive Until 1984?* Amalryk, who does not have a Moscow residency permit, was hounded out of his wife's apartment in the capital last week, only four months after he returned from his most recent stay in Siberian exile. According to Western press reports, the regime offered him a residency permit as a bribe to renounce his views publicly, but he refused. In complying with the order to leave Moscow, he vowed to keep pressing for a reversal. He hopes that the still-pending invitations to lecture at Harvard and George Washington universities, together with Western publicity, will somehow help his case.

Writer Anatoly Marchenko, author of the labor camp expose *My Testimony*, may also be heard from again soon. Rearrested last February for violating the terms of his parole after a just-completed exile,

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Marchenko stood trial--attended by Sakharov--in late March. He was sentenced to four more years in exile in Siberia. His wife, Larisa Bogoraz--who, like Amalryk's spouse, is a prominent dissident in her own right--says Marchenko's health is now poor as a result of a three-month hunger strike following his arrest. Despite his plight, Marchenko continues to wish to emigrate to the US and nowhere else. Since his articulate wife was slated to return to Moscow this month, an/ in view of his friends' commitment to his cause, renewed appeals for Western assistance may be expected soon.

Appeals have already been launched, and may multiply, for improvement of the reportedly severe prison conditions recently imposed on human rights activist Vladimir Bukovsky. Sentenced in 1972 to 12 years imprisonment, Bukovsky is said by his mother to be so ill that she fears for his life. She has called on Amnesty International and other international organizations to press Soviet leaders for his release as one way to show their commitment to the CSCE accords.

The case of prominent, maverick sculptor Ernst Neizvestny, who in July angrily denounced the regime's refusal to let him travel abroad, is also unlikely to rest for long. Neizvestny, an erstwhile foe but later a friend of former Soviet leader Khrushchev and his family, has recently been severely harassed. He appears determined, however, to keep his case before as high a level of Soviet officialdom as his reputedly numerous and influential contacts allow. The fact that he has moved in such circles is evidently one reason for the regime to block what would be another embarrassing departure of major cultural figure.

If the regime mishandles any of these cases and they gain wide publicity in the West, the more

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hospitable image projected only recently by the granting of public exhibitions to nonconformist artists in Leningrad and Moscow may be marred. When Western publicity and prominent names are involved, local officials may be reluctant or even unable to reach clear decisions. Last June, for example, Neizvestny said privately that his application for travel abroad had so stirred up and divided the cultural bureaucracy that his case was finally bucked all the way up to the Politburo.

Few of the other cases have reached that level, although the Central Committee apparatus seems frequently involved. Members of the Politburo and Secretariat have increasingly been involved in the past year as a result of the drift in cultural policy and the consequent lack of detailed guidance to lower echelons in the bureaucracy. This modus operandi may become even more common in cases attracting close Western attention, since the CSCE accords appear to have heightened the regime's concern over its image abroad and sharpened its self-righteous, though sometimes defensive, posture on internal policy in general. The ever-present ability of prominent Soviet dissidents with contacts in the West to claim the attention of the leadership may thus be enhanced.



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Poland: Gierek Takes the Public Pulse

Since the Central Committee plenum ended on September 4, party chief Gierek has devoted at least seven full days to touring the provinces, visiting factories and mines, and conferring with local officials. Some of this activity was related to preparations for the party congress that opens in December. Published accounts of Gierek's remarks, however clearly suggest that he was also seeking both to sense the mood of the people and to justify the regime's economic policies. In addition to reciting Poland's economic achievements, he frankly answered pointed economic questions and called for increased public confidence in the party.

Price Increases

Leadership and popular interests most clearly converge on the crucial question of when and if--but mainly when--Warsaw will raise prices on basic foodstuffs. These prices have been held at the levels prevailing in 1970 before the riots that brought Gierek to power. There are growing signs that the regime believes it can no longer keep them there.

For several months Polish leaders have made no secret of the fact that subsidies to food industries are increasingly straining the state budget, and the US embassy reports that Polish media have been told to prepare the people "drop by drop" to accept the fact that Poland is "not an island in the sea of inflation." The embassy has heard rumors that the Politburo had a "major table-pounding fight" just before the recent plenum, and that Gierek "threatened to quit and let the others stew." The extent and timing of price increases is the issue most likely to have provoked such a controversy. In a speech to "his" miners last week, Gierek stressed

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the increases in real wages over the past five years rather than the continued stabilization of prices. He said, in fact, that price increases in a dynamically growing economy are no cause for shame and that "sometimes it is necessary to do something that could be criticized to solve another great affair. One simply must have confidence."

If the price freeze is to be lifted, Warsaw will probably have to act very soon or wait until after Christmas. Polish leaders still vividly remember December 1970, when food price hikes helped to topple the Gomulka regime.

Popular reaction will be negative no matter when the freeze is lifted, and public disturbances like those provoked by the meat shortages last spring could result. In an effort to head off trouble, the leadership might decide on compensatory actions such as wage or pension increases. In any case, Warsaw will keep close watch on popular attitudes.

Wages

Real wages are closely related to the issue of prices. Although the regime proudly points to an increase of 40 percent in average real wages over the past five years, these figures do not necessarily impress Polish workers. Gierek told the miners, "Of course, some people here will argue and say 'yes, you are still saying the same thing; it is not true' and so forth." Gierek nonetheless held out the promise of significant increases in average real wages during the next five year plan.

Meat Supplies

Poland has suffered chronic shortages of meat (mostly pork), and this spring popular dissatisfaction reached the highest pitch since 1970. Since

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then, Warsaw has decreased exports, increased imports, and raised prices paid to farmers in an effort to generate more production. Shortages nonetheless persist, and Gierek is keenly aware that statistics showing significant increases in meat consumption often fail to persuade consumers that progress is being made. He recently said:

I understand that everyone has a different view on this problem, and the woman who goes to the shop and is unable to get meat or has to wait for it or finds there is no choice, gets angry right away and asks: "why are they talking about increased consumption, about more meat, when I cannot buy it."

Gierek added that he was not sure whether the appreciable increase in meat consumption envisioned in the next five year plan would satisfy demand, and indicated "there might be some more troubles here."

Housing

Poland faces the same chronic housing shortages that pervade East Europe. The regime has nonetheless built more than a million apartments in the past five years, and projects a minimum of 1.5 million additional units in the next five year plan. Gierek recently admitted, however, that the progress is "small" when measured against the needs of the people. He quickly added, however, that "the effort we are making now is an effort that cannot be exceeded. Quite simply we cannot afford more at the present."

Labor Discipline

Increasing absenteeism and excessive labor mobility have led to production losses, and have become common themes in the Polish media. The problem

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is getting worse. Gierek recently said that the average worker missed 169 hours of work in 1970, but that in the first half of 1975 alone, he had already missed 105 hours.

On balance, the Polish leadership must feel that it is on a treadmill. The more it accomplishes--and there has been significant progress--the more the population demands. The crucial question is whether Warsaw can keep up with rising popular expectations. The Gierek team is competent, pragmatic, and basically united on the course of action to be taken.

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CEMA: Difficult Climb to Summit

Preparations for the CEMA summit meeting of party and government leaders later this year are progressing, but the thorniest issues have apparently not yet been worked out.

A Romanian official told a US diplomat that work on a document--presumably the communique to be released at the summit--is "70 percent complete," but that there have been many reservations and exceptions. He added that the remaining 30 percent of the document covers the most troublesome issues. The official predicted that a CEMA meeting of party secretaries would be the next step in preparing for the summit.

The Romanian provided little insight into the issues causing trouble. He said that Moscow had given ground on some secondary points, notably agreeing in principle that the Communist countries join in implementing the "new international economic order" proposed by the Third World countries. He claimed the Cubans--and, to a lesser degree, the Poles--had supported Bucharest on this issue.

Meanwhile, Bucharest has revived the press campaign supporting its CEMA positions. [redacted] the press barrage will continue in coming weeks. Recent articles in *Scinteia* have reiterated earlier Romanian calls for a specific plan to "equalize" development levels of CEMA countries. Romania considers itself a less-developed country eligible for special treatment, an assertion the Soviets refuse to accept.

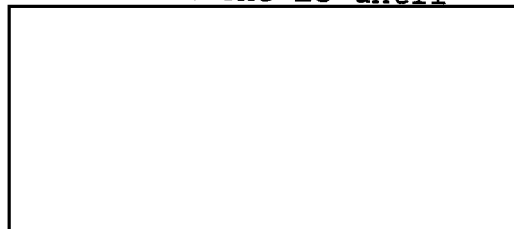
Deputy Premier Patan recently outlined Bucharest's position on another subject of contention--CEMA-EC relations--in the weekly foreign affairs

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journal *Lumea*. He called for negotiation of a general CEMA-EC accord that would not impinge on the prerogatives of individual CEMA countries and would permit the simultaneous establishment of "direct official contacts" between the CEMA countries and the EC mechanism. The Soviets prefer a more comprehensive CEMA-EC agreement and also want to postpone individual CEMA country contacts with the EC until after an accord is signed.



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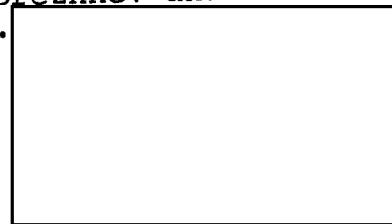
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Preparations for Military Parade
in Moscow on November 7

As usual at this time of year, preparations are under way for the military parade through Red Square on November 7 to mark the 58th anniversary of the Bolshevik Revolution. The central airfield assembly area in Moscow has been set up with tents and vehicle parks as in previous years. Local military units have been noted practicing march formations, and a Soviet officer has confirmed that they were practicing for the anniversary parade.

As in the past, the parade will provide the Soviet authorities an opportunity to display some of the newer weapons that have been added to the armed forces' arsenal. It will also give Defense Minister Greckho a chance to sum up the world situation, and it will be interesting to see if his remarks are as mild and as brief as they were last year.

The military parade will be followed by a march-through of groups of Soviet citizens representing various mass organizations, provided that the Soviet leaders are up to remaining in place at the Lenin mausoleum for that much time. Last year, the civilian segment of the parade was canceled, reportedly just two hours before it was to take place. The main reason for the cancellation was apparently the state of health of Brezhnev and the other top leaders, not the weather.



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USSR Continues to Sell Gold

The Soviets continued to sell gold in early September despite the lower prices brought on by the International Monetary Fund's decision to reduce its gold holdings.

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Zurich bankers believe that Moscow would offer only small quantities if the price dropped below \$145 per troy ounce and would withdraw completely from the market if the price fell below \$140. By the end of the third week, the price fell to \$135.50;

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Moscow's reaction to price developments over the last year and a half--when they increased sales during periods of rising gold prices and cut back when prices fell--supports the bankers' conclusions. Moscow's reluctance to sell gold during periods of depressed prices is made possible by its proven ability to borrow large sums in the Eurocurrency markets. As much as \$800 million may have been raised during the last ten months, and more is expected. In the long run, however, Moscow probably will have to sell gold in a market with prices at or below current levels.

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Italy Extends Additional Credit to USSR

Rome reportedly agreed on September 11 to a \$900-million line of credit for the USSR to cover Soviet imports of plant and equipment. Earlier this year the Italians granted Moscow roughly \$800 million in subsidized credits to cover Soviet contracts for chemical plants and large-diameter pipe. Moscow has also received about \$5 billion in credits from France and the UK this year.

Rome rejected a request by the USSR in April for credit lines totaling almost \$2 billion to finance plant and equipment imports from Italy for a 10-year period. The \$900-million credit may be a compromise. The terms of the credit are probably similar to subsidized credits provided to the Soviets earlier this year--a repayment period of eight years and an interest rate of about 7.3 percent.



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